



11 September 2006



The Hon. Joseph J. Farnan, Jr.
United States District Court
J. Caleb Boggs Federal Building
844 N. King Street
Lock Box 27
Wilmington, DE 19801

Re: The Standard Fire Insurance Company v.
Delmarva Towing & Salvage
U.S.D.C. - D.De. - C.A. No. 05-216(JJF)
Our File: 8537-002

Dear Judge Farnan:

We write to advise that this matter has been settled as a result of the mediation conducted by Magistrate Judge Thygne on September 7th, 2006.

As a result of the payment provisions of the settlement, it has been agreed that the stipulation of dismissal will be filed on or about November 1st, 2006.

Respectfully,

PALMER BIEZUP & HENDERSON LLP

By:

Michael B. McCauley

MMc:lr

cc: Magistrate Judge Mary Pat Thygne
Eric Howard, Esq.

PBH: 185460.1